

Members

Doug Stratton, Chairperson
Sen. Vaneta Becker
Sen. Sue Landske
Sen. James Lewis
Sen. Samuel Smith
Rep. Craig Fry
Rep. Ron Herrell
Rep. Dick Dodge
Rep. Gerald Torr



INTERIM STUDY COMMITTEE ON DIALYSIS COVERAGE

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MEETING MINUTES¹

Meeting Date:	September 3, 2008
Meeting Time:	10:30 A.M.
Meeting Place:	State House, 200 W. Washington St., Room 233
Meeting City:	Indianapolis, Indiana
Meeting Number:	3

Members Present: Doug Stratton, Chairperson; Sen. Vaneta Becker; Sen. James Lewis; Rep. Craig Fry; Rep. Ron Herrell; Rep. Dick Dodge; Rep. Gerald Torr.

Members Absent: Sen. Sue Landske; Sen. Samuel Smith.

Mr. Stratton called the meeting to order at 10:35 a.m. and asked the members to introduce themselves. He read the Committee's responsibilities.

John Willey, Anthem, reiterated his request, made during the August 20, 2008 Committee meeting, that anyone aware of an individual harmed by an act of Anthem contact him personally to address the issue. Mr. Willey introduced Eric Schmitz, Anthem, to provide information requested by the members during the August 20 Committee meeting.

Mr. Schmitz provided a handout² and discussed the information contained in the handout concerning access to network dialysis facilities, reimbursement rates, and cost of care. There was general discussion regarding the information. With respect to reimbursement

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²Attachment 1.

rates, Rep. Fry clarified that Anthem's information reflects that Indiana's reimbursement rate for dialysis is 1.2% higher than the national average. Mr. Schmitz clarified that the reimbursement rate information (comparing Indiana to the national average) is for dialysis only and the cost of care information reflects overall costs (comparing Indiana to the average of KY, OH, and MO) not just dialysis costs. Sen. Becker requested information comparing overall costs nationally, as well as in Indiana and in the region presented (KY, OH, MO). She noted the differences in comparisons in the information presented and expressed her concern that the comparisons presented are not helpful for the Committee because of those differences. Following additional discussion, Mr. Schmitz clarified that he does not look at premiums when negotiating rates with providers. Mr. Willey stated that Anthem will provide information concerning premiums charged in relation to benefits in comparison with other states.

Anne Doran, America's Health Insurance Plans (AHIP), offered to provide a link to an AHIP document reflecting a snapshot of premiums charged in each state. She estimated that Indiana is approximately 28th among the states. She emphasized that one shouldn't deduce from information concerning cost of care changes that premiums will change accordingly. Rep. Torr noted that many factors are considered in establishing premium rates and that linking average premium to average reimbursement for a service is not reasonable. Mr. Schmitz responded that historical costs of a group are considered in addition to risk adjustment factors and other factors in establishing premiums for that group.

Rep. Herrell pointed out his belief that if the average premium in a particular group of states is lower than Indiana's premium it would not be fair to compare average reimbursement in those states with reimbursement in Indiana. Sen. Becker stated that she believes that if overall cost of care in a state is the information that is available (rather than strictly the cost of dialysis) then it would be fair to look at the premium charged in that state. She requested premium information for the states included in the cost of care chart in the handout (KY, OH, MO).

A video of Davita dialysis patients and family members sharing their concerns was viewed by the members.

Kim Wilder, wife of dialysis patient Dan Wilder, shared the story of Mr. Wilder's diagnosis, treatment, insurance difficulties, conflicts of direct insurance payments with their eligibility for disability payments and food stamps, and claims of insurance fraud against them in relation to the direct payments and Medicare application. She emphasized that dialysis patients and their families do not need unnecessary additional stresses of insurance disputes because the stress of end stage renal disease (ESRD) and dialysis treatment is overwhelming in itself.

In response to questions from Mr. Stratton and Sen. Becker, Mrs. Wilder stated that: (1) her husband is not balance billed as his insurance pays 100%; (2) she has become more capable of understanding the previously overwhelming insurance documents in the two years since Mr. Wilder began dialysis; and (3) if insurance reimbursement was provided directly to the dialysis facility, things would be easier for them. Mr. Wilder added that not only dialysis patients, but the support systems of dialysis patients, are in need of help to ease existing stresses.

Belinda Wood, dialysis patient, stated that she was on Medicare at the time of her ESRD diagnosis. She noted that a person's entire life changes after they are diagnosed with ESRD as they are dependent on dialysis. Ms. Wood emphasized the importance of the relationship with the staff that provides dialysis treatment and stated that being required to

change providers may result in a patient not recovering from the resulting life changes.

Gloria Bard, dialysis patient, agreed with the statements made by Ms. Wood. She added that stability is very important to the dialysis patient and the family and analogized being required to change dialysis providers to discontinuing life support. She also mentioned transportation issues and financial and emotional difficulties that she and her husband have experienced in relation to obtaining payment for her treatment.

In response to a question from Mr. Stratton, Ms. Bard stated that Medicare pays her dialysis provider 80% of the reimbursement, and the Kidney Foundation pays the remainder.

Sen. Becker asked whether there was anyone present who had been told by their insurer that they would be required to go out of state or farther than 30 miles for dialysis treatment. Matt Bassett, Davita, responded that one insurer had informed Indiana patients that the patient would be liable for increased payments if treatment was not received at a network provider in Louisville, KY. There was general discussion concerning patients receiving such letters and the effect of HB 1284-2008. Sen. Becker stated that requiring a two hour trip to Louisville from Evansville for treatment is unacceptable when nearby treatment is available.

Angela Hoover, United Healthcare, stated that United Healthcare now has a contract with Davita, so a letter that United Healthcare sent out last year, which Ms. Hoover stated was poorly drafted and easily misinterpreted, is obsolete. She additionally acknowledged the effect of HB 1284-2008. She responded to situational examples concerning network requirements from Sen. Becker and Mr. Stratton.

Mr. Stratton noted a letter from the Dialysis Patients' Citizen Organization provided to the members³.

In response to a question from Rep. Fry concerning balance billing, a representative of Fresenius stated that Fresenius balance bills patients unless the patient has Medicare secondary insurance. The representative also noted that working patients may have difficulties obtaining dialysis during a period that coordinates with their work schedule, which may require the patients to seek treatment from an out of network provider. Sen. Becker asked those in attendance if this is a problem for any of them. Rick Warthan, dialysis patient, stated that he sometimes has to sign himself out of dialysis against medical advice so that he can recover in time to be effective at work. Others in attendance indicated that scheduling is not a problem as priority is given by dialysis facilities to patients with such scheduling needs.

Mr. Stratton explained that the draft final report and draft legislation will be revised with contributions from the members and then resent to the members. At that point an additional meeting of the Committee will be scheduled for consideration of those documents and receipt of the requested information from Anthem.

With no further business to discuss, the meeting was adjourned at 11:55 a.m.

³Attachment 2.